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**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

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Janet Napolitano  
Governor

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Director

January 24, 2003

**WIA GUIDANCE LETTER #01-03**

**SUBJECT: Correction to, and/or, clarification of WIA Information Policy Memos and Guidance Letters concerning rapid response allocation; allowable statewide rapid response activities; and process for requesting additional assistance funds.**

**REFERENCE:** PL 105-220 Section 112(b)(17)(A)(ii), Section 134(a)(2)(A); CFR Part 665 Subpart B 665.200(a); CFR Subpart C 665.300; 665.310; 665.320; Section 134(a)(2)(A)(ii); CFR Part 665 Subpart B 665.340; Section 133(b)(2)(B); Section 134(a)(2)(A)(i); WIA Information Policy Memo #03-02; WIA Guidance Letter #13-02; WIA Guidance Letter #16-02

**BACKGROUND:** In January 2002, the state Workforce Development Administration (WDA) issued WIA Information Policy Memo #03-02 which defined the procedures for requesting additional dislocated worker monies, particularly rapid response and the Governor's program set-aside funds.

Subsequently, in September 2002, WDA issued WIA Guidance Letter #13-02 to inform Local Workforce Investment Areas (LWIAs) of the amount of their rapid response allocations for both statewide funds (CFR 665.310 and 665.320) and additional assistance funds (665.340). This guidance also included information about the methodology used to determine the allocation from the state's "set-aside" funds along with reference to procedures for obtaining these funds.

Finally, in November 2002, WDA issued WIA Guidance Letter #16-02 to provide clarification and distinguish between the various funding sources used to finance services for dislocated workers. Specific attention was given to discussing the difference between "statewide" rapid response funds (665.310 and 665.320) and "additional assistance" funds (665.340), and clarifying the types of services allowed to be paid with the different rapid response funds. Again, there was some guidance regarding when an LWIA could make a request for these funds.

Due in part to questions from LWIA staff following receipt of the most recent guidance, all of these documents have been reviewed collectively by WDA Policy and Fiscal Unit staff and it was determined that further clarification and modifications are necessary.

The modifications to some of the language in WIA Information Policy Memo #03-02, and WIA Guidance Letter #13-02 and #16-02, will apply to PY2002/FY2003 funds *only*. The state WDA anticipates that there will be further changes and clarifications for PY2003 with regard to rapid

response allocations, additional assistance set-aside funds, and the procedures for requesting additional assistance monies to foster closer alignment with the intent of the Act and more closely meet local area program needs.

**Change to WIA Guidance Letter #16-02: Background** – The Workforce Investment Act requires the Governor of each state to reserve *up to* 25% of the state’s allocation of dislocated worker program funds to conduct statewide rapid response activities. The state must then determine the sum necessary to provide adequate statewide rapid response assistance [PL 105-220 Section 134(a)(2)(A)(i); CFR 665.310 and 665.320]. After the state has made this determination, it may use the *remaining* funds to provide additional assistance to LWIAs that “experience disasters, mass layoffs or plant closings, or other events that precipitate *substantial increases in the number of unemployed individuals*” [PL 105-220 Section 134(a)(2)(A)(ii); CFR 665.340].

**Change to WIA Guidance Letter #13-02:** The enclosed chart, which delineates each LWIA’s Rapid Response allocation, has been modified for PY2002. Through the Notice of Obligational Authority (NOA) process, the WDA has issued 25% of each LWIA’s total Rapid Response allocation for PY2002/FY2003. These funds should only be used to deliver allowable “statewide” rapid response activities as defined in the WIA Final Regulations at CFR 665.310 and 665.320.

The balance of the funds (665.340), also issued through the NOA process, *cannot* be accessed until an LWIA has *expended* at least 80% of its total Dislocated Worker formula funding. Additional assistance funds can be used to fund direct Dislocated Worker program activities (such as intensive and training services) for individuals who were initially part of a rapid response activity. The Act and WIA Final Regulations stipulate that additional assistance funds may be provided to LWIAs that have a *substantial* increase in the number of unemployed individuals. Typically, these funds would be held at the state level and provided to LWIAs, on an as-needed basis, where there is an event that increases unemployment in the area. However, the funds have already been allocated to the local areas for PY2002/FY2003 (See enclosed chart, column 665.340.). Therefore, the procedures for requesting funds and use of the funds will be slightly altered for this program year only.

**Change to WIA Information Policy Memo #03-02:** Because statewide rapid response funds cannot be used to provide direct services, WDA would only need to review Dislocated Worker formula fund expenditures as part of the process in making a determination as to whether an LWIA has a need to use additional assistance funds to serve dislocated workers. Therefore, the WDA must consider that the program funds available to the LWIA are not sufficient to provide the full range of services to those affected individuals as well as the event that precipitates the need. Other things to consider include the point in time during the program year when the request is being made, the number of people impacted, and the projected amount of funds necessary to meet the unexpected need.

If it becomes necessary to access the additional assistance funds, the LWIA must make a written request to the state documenting the need for additional assistance funds. At a minimum the correspondence should include:

- ✓ Amount of additional assistance needed
- ✓ Current Dislocated Worker Expenditure Report
- ✓ Statement(s) summarizing the need
- ✓ Name of individuals impacted by the layoff/closure/disaster (if applicable)
- ✓ Name of employer (if applicable)
- ✓ Time line for the layoff(s) (if applicable)
- ✓ Type of event (disaster, etc.)

The WDA will review the request and will forward a written response to each request within five (5) working days of receipt of the request. If the request is granted, the LWIA program staff (case managers, data entry staff, etc.) need to ensure that the paperwork and data files for all individuals whose services are funded with additional assistance dollars reflect the correct funding source “**IS**” (see the Participant Tracking Guide, Section 3). The state is responsible for identifying those individuals served with rapid response additional assistance in the annual WIA Standardized Record Data file, more commonly known as the “WIASRD”.

**ACTION REQUIRED :**

The information provided in this correspondence supercedes previous guidance referenced in WIA Information Policy Memo #03-02, and WIA Guidance Letters #16-02 and #13-02.

Please distribute this information to all case management, data entry, and fiscal staff responsible for Dislocated Worker and Rapid Response activities in your area.

If you have questions, please contact Ms. Gwen LeaMon, Management Analyst II, at (602) 542-2492 or Mr. Ron Delgado, Dislocated Worker Liaison, at (602) 542-2494.

Sincerely,



David R. Ellis  
Program Administrator (Interim)  
Workforce Development Administration

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Enclosure